

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 7869**

**BILL NUMBER:** SB 518

**NOTE PREPARED:** Jan 21, 2003

**BILL AMENDED:**

**SUBJECT:** Securitize tobacco settlement funds.

**FIRST AUTHOR:** Sen. Clark

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**

**GENERAL  
DEDICATED  
FEDERAL**

**IMPACT:** Pending

**Summary of Legislation:** This bill establishes the Tobacco Asset Financing Authority and provides for the sale of bonds payable from up to 40% of future tobacco settlement payments to the state. The bill limits the use of the bond proceeds to capital projects for state agencies and state educational institutions, grants to state educational institutions and other entities for certain capital projects, and retirement or restructuring of existing debt. The bill also makes related changes in the statute governing distributions from the Tobacco Master Settlement Agreement Fund.

**Effective Date:** July 1, 2003.

**Explanation of State Expenditures:** *As of the above date, the fiscal analysis of this bill has not been completed. Please contact the Office of Fiscal and Management Analysis for an update of this fiscal impact statement.*

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:**

**Local Agencies Affected:**

**Information Sources:**

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